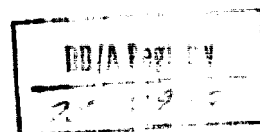


OGC 78-4890
26 July 1978



STATINTL

OGC Has Reviewed

DD/A Registry
File *Q411*


MEMORANDUM FOR : Deputy Director for Administration

FROM : 
Assistant General Counsel

STATINTL

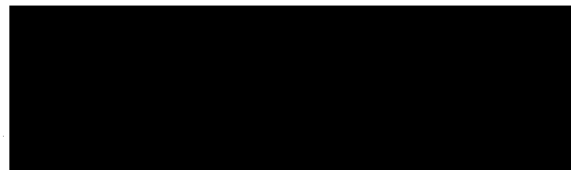
SUBJECT : Proposed Revision of HR 

STATINTL

1. Attached, as you requested, is a copy of the proposed revision of HR  which has been in preparation by the Office of General Counsel for over a year and is based upon similar regulations now in effect at the Civil Service Commission, the State Department, and the Department of Justice. It is not contended that this text is the last word and cannot stand further refinement or reorganization to conform more closely to the Agency's regulatory format. However, this draft does go a great deal further than either the existing regulation or the proposed revision which is now in process in terms of a thorough substantive statement of the standards governing employee conduct in general and of the procedural mechanism for identifying and resolving conflicts of interest.

STATINTL

2. Also attached, for your use, is a copy of Executive Order 11222.



Atts

STATINTL

15 February 1978

STATINTL

MEMORANDUM FOR: Chief, Regulations Control Branch

FROM : [REDACTED]
Chief, Review Staff, OP

STATINTL

SUBJECT : Revisions of HR [REDACTED] and HR [REDACTED]

As a consequence of recent changes in the law the following parts of Agency regulations should be corrected as indicated:

STATINTL

HR [REDACTED]

Para d(2) - add to the end of the sentence: "and sets forth corrective action to be taken."

Para f(3)(a) - should read: General. Under the provisions of PL 95-105, no employee or member of the family or household of the employee may request or otherwise encourage the tender of a gift or decoration from a foreign government.

Para f(3)(b) - insert "and approval by" after the words "notification to" in the first sentence. Change \$50 to \$100 in the second sentence.

Para f(3)(c) - this paragraph should read: When a gift tendered by an agent, foreign officer, or any unit of foreign governmental authority is believed to have a retail value in the United States exceeding \$100, the donor normally should be advised that it is contrary to the policy of the United States for Government employees to accept substantial gifts. If, however, the refusal of such a gift would be likely to cause offense or embarrassment to the donor or would adversely affect operations, cover, or the foreign relations of the United States, the gift may be accepted. Foreign gifts accepted in this manner are deemed to have been accepted on behalf of the United States and will be deposited with the Director of Personnel as property of the United States for transmittal in a secure manner to the Administrator of General Services, for appropriate disposition.

~~ADMINISTRATIVE - INTERNAL USE ONLY~~

Para f(3)(d) - should read: Provisions of PL 95-105 concerned with decorations are contained in HR [REDACTED]

STATINTL

Para f(3)(e)(1) - should read: If an employee or a member of the employee's immediate family or household receives a gift or a decoration from a foreign government, the employee immediately will submit a memorandum through channels to the Director of Personnel stating the name and position of the recipient; the name, position, and foreign government of the individual who presented the gift or award; the estimated retail value in the United States at the time of acceptance, if a gift; identification or description of the item; the date of acceptance and the circumstances justifying acceptance.

Para f(3)(e)(2)(b)(ii) - should read: Approve or disapprove the recipient's retention of a gift of minimal value.

Para f(3)(e)(2)(b)(iii) - should read: When appropriate, approve Agency retention of a gift of more than minimal value for temporary official use.

Para f(3)(e)(2)(b)(iv) - should read: Provide for the transfer of all foreign gifts of more than minimal value to the Administrator of General Services for appropriate disposition after a review and concurrence by the Chief, Central Cover Staff.

Para f(3)(e)(2)(b)(v) - should read: Forward to the Secretary of State by 31 January of each year, a comprehensive listing of all employee statements from the preceding year that disclose acceptance of a foreign gift of more than minimal value; such listing to be published in the Federal Register by the Secretary of State and to include a description of the gift, circumstances justifying acceptance, date of acceptance, estimated value, and disposition or current location of the gift.

Para f(3)(e)(2)(b)(vi) - should read: Maintain records indicating the receipt and disposition of all foreign gifts and decorations reported by Agency employees.

Para f(3)(e)(2)(b)(vii) - should read: Obtain appraisal of gifts, when necessary.

Para f(4) - should read: (a) Operating Officials may authorize the expenditure of official funds to purchase gifts of minimal value as souvenirs or a mark of courtesy for foreigners when such gifts are appropriate to the official business of the Agency and their retail value in the United States does not exceed \$100. Official gifts to foreign individuals which have a retail value in the United States of more than \$100 require Congressional approval and must be reported annually to the Congress. The prior approval of the appropriate

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Deputy Director and the Office of Legislative Counsel is therefore required for such gifts of more than minimal value (to be a gift under the provisions of this paragraph, it must not be given as a consideration for services rendered or as an operational method of payment). (b) In selecting or recommending gifts to foreigners, consideration should be given to items of appropriate sentimental value which are representative of American culture and consistent with operational security requirements.

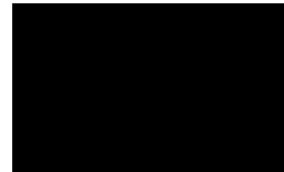
STATINTL

The changes in this paragraph have been informally coordinated with the DDO.



Para j - should read: Under the provisions of Public Law 95-105 of 17 August 1977, no employee or member of the family or household of the employee may request or otherwise encourage the tender of a foreign decoration. A foreign decoration is defined as any order, device, medal, badge, insignia, or emblem tendered by or received from a foreign government. If a foreign decoration is received in recognition of active field service in combat operations or for outstanding or unusually meritorious performance, it may be accepted and worn by the donee provided that the approval of the Director of Personnel is granted. In the absence of such approval and concurrence, the decoration will become the property of the United States and will be deposited with the Director of Personnel within 60 days of acceptance for use or disposal. The receipt or anticipated receipt of a foreign decoration must be reported by memorandum through channels to the Director of Personnel stating the name and position of the recipient; the name, position and foreign government of the individual who presented the award; identification or description of the award; and the date of acceptance and the circumstances justifying acceptance.

STATINTL



ADMINISTRATIVE - INTERNAL USE ONLY

CONFIDENTIAL

PERSONNEL Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7 25X1A

6. CONDUCT AND DISCIPLINE. This regulation and HHB Handbook of Required Regulatory Readings, state basic rules of conduct applicable to staff personnel, contract personnel who have staff-like access to Agency installations or information, and military and civilian personnel detailed to the Agency, hereinafter referred to as employees.

25X1A

a. GENERAL

- (1) OBJECTIVES. The Agency endeavors to create conditions of employment and a working environment which encourage the maintenance of standards of employee conduct that reflect credit on the Government and the Agency. Emphasis is placed on avoiding and preventing acts of misconduct and unacceptable behavior through such positive measures as careful selection of personnel, proper training, good supervision, and employee awareness of the rules of conduct.

b. POLICY

- (1) Employees are subject to the rules of conduct established by statute, congressional resolution, Executive Order, and applicable Government regulations as well as those established by Agency directive.
- (2) An employee who violates the rules of conduct is subject to disciplinary action, which may include official reprimand, probation, suspension, or separation.

c. RESPONSIBILITIES

- (1) Each employee will

(a) acquaint himself with the rules of conduct; (When doubtful of the existence or meaning of an established rule of conduct, he will seek guidance from his supervisor, his personnel or administrative officer, the deputy counselor on matters of conduct for his directorate, or the Director of Personnel. When the legality of a proposed activity is in doubt, the employee or his supervisor will request the opinion of the General Counsel.)

(b) monitor and be accountable for any activities of his dependents that might reasonably be construed to affect the security of the Agency, directly or indirectly. (Such activities include but are not limited to political, economic, and financial activities, speeches, writing for publication, joining certain types of organizations, and accepting gifts.)

- (2) Each Deputy Director and Head of Independent Office will

(a) appoint a deputy counselor to advise employees of his directorate on matters of conduct;

(b) ensure that the rules of conduct summarized in HHB Handbook of Required Regulatory Readings, are available to all employees under his jurisdiction and are brought to their attention in October each year;

(c) ensure that supervisors and others under his direction who have personnel management responsibilities read HHB Promoting Good Employee Performance and Conduct, and provide these officials guidance and advice when violations of Agency rules are reported to him; and

(d) ensure that appropriate officials take corrective action as necessary or submit Form 1152, Request for Personnel Action, to the Director of Personnel to effect suspension or separation when appropriate.

→ Revised: 14 December 1976 (975)

CONFIDENTIAL

E2 IMPDET
CL BY: 009348

19

CONFIDENTIAL

HR [REDACTED] Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

- (3) ~~(a)~~ The General Counsel will
- (a) ~~(a)~~ serve as counselor to Agency employees on questions of conflicts of interest and other matters of conduct;
 - (b) ~~(b)~~ coordinate, as requested, the counseling services of the deputy counselors appointed by each Deputy Director; and
 - (c) ~~(c)~~ serve as the Agency's designee to the Civil Service Commission on all conflict-of-interest matters.

- (4) ~~(a)~~ The Director of Personnel will

- (a) ~~(a)~~ ensure that all new employees read HHB [REDACTED] at the time of entrance on duty and that each employee processing PCS for the [REDACTED] and

- (b) ~~(b)~~ advise and assist management officials and supervisors concerning the disciplinary actions noted in subparagraph a(2)(b) above.

- doe NEW F. SPECIAL PROCEDURES*
- (1) ~~(1)~~ **CONFLICTS OF INTEREST.** Statutory and Agency restrictions pertaining to → conflicts of interest are stated in HHB [REDACTED] Handbook of Required Regulatory Readings.

- (a) ~~(a)~~ **REPORTING.** A supervisor is responsible for reporting through channels to the Deputy Director or Head of Independent Office concerned any violation or apparent violation of rules on conflicts of interest. The report will be forwarded immediately by the Deputy Director or Head of Independent Office to the Inspector General for investigation. A copy of the report will also be sent to the General Counsel.

- (b) ~~(b)~~ **APPROVAL OF EXCEPTIONS.** Though an actual conflict of interest can never be permitted, permission may be granted employees to enter into or continue apparent conflicts of interest in certain special situations.

- (1) ~~(1)~~ (a) An employee wishing to enter into a contract with the United States Government for reasons not related to his Agency employment will submit a detailed request for approval through channels to the appropriate Deputy Director or Head of Independent Office. The proposed contract must be submitted with the request. Before approving the request, the Deputy Director or Head of Independent Office is to seek the opinion of the General Counsel by submitting the contract to him with a memorandum stating the pertinent facts.

- (2) ~~(2)~~ (a) The Director of Central Intelligence may grant an employee permission to enter into or continue an apparent conflict of interest if cover or operations warrant. Requests for such permission are subject to the following procedures:

- (a) ~~(a)~~ The Deputy Director or Head of Independent Office who has jurisdiction over the employee will submit a memorandum stating the pertinent facts to the General Counsel, who will determine whether the activity in question is a real or only an apparent conflict of interest.

- (b) ~~(b)~~ If the General Counsel determines that the conflict of interest is apparent only, and if the Deputy Director or Head of Independent Office believes the activity is sufficiently desirable for cover or operational reasons to justify an exception to the prohibition, he will submit for the consideration of the Director a proposed authorization suspending the pertinent prohibition. A copy of the memorandum submitted to the General Counsel and a copy of the General Counsel's determination should be forwarded with the authorization. A copy of this report will also be forwarded to the Inspector General for information.

Para b. relettered F. with new title

No changes this page in text except new added para. doe

CONFIDENTIAL

→ Revised: 3 March 1976 (726)

25X1A

25X1A

25X1A

CONFIDENTIAL

PERSONNEL Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

25X1A

- (c.) **REPORTING EMPLOYMENT AND FINANCIAL INTERESTS.** This subparagraph provides policy and procedures for reporting employment and financial information to permit the Agency to determine the existence of a conflict of interest or an apparent conflict of interest. It implements Executive Order 11222, dated May 8, 1965, and Civil Service Commission regulations as revised June 9, 1967.

(1) **GENERAL**

- (a) Information supplied in accordance with this subparagraph will be reviewed only by the officials designated herein, who are responsible for ensuring it is not discussed with or made available to others.
- (b) Notwithstanding the filing of the annual report required by this subparagraph, each employee will at all times avoid acquiring a financial interest that results, or taking an action that could result, in a violation of the conflicts-of-interest provisions of Section 208, Title 18, United States Code. These provisions state generally that no Government employee may participate personally or substantially, as a Government employee, in a matter which affects his financial interest, that of his family, or that of an organization in which he is an officer, director, or employee.

- (2) **PERSONNEL REQUIRED TO FILE.** Agency personnel will file employment and financial interest statements if they are in any of the categories specified in subparagraph (a), (b), or (c) immediately below:

- (a) Personnel paid at a level of the Federal Executive Salary Schedule
- (b) Personnel classified at GS-13 or above, or at a comparable pay level, in positions determined by the appropriate Deputy Director, Operating Official, or Head of Independent Office to be positions whose incumbents are responsible for making a Government decision or taking a Government action regarding

- (i) ~~(x)~~ contracting or procurement;
- (ii) ~~(x)~~ administering or monitoring grants or subsidies;
- (iii) ~~(x)~~ regulating or auditing private or other non-Federal enterprise; or
- (iv) ~~(x)~~ other activities where the decision or action has an economic impact on the interests of any non-Federal enterprise

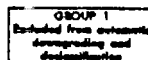
- (c) Personnel classified at GS-13 or above, or at a comparable level, in positions which the appropriate Deputy Director, Operating Official, or Head of Independent Office has determined to have duties and responsibilities which require the incumbent to report employment and financial interests in order to avoid involvement in a possible conflict of interest

- (d) Personnel in positions designated under subparagraph (b) above may be excluded from the reporting requirement if the designating official also determines that

- (i) ~~(x)~~ the duties of the position are such that the likelihood of the incumbent's involvement in a conflict of interest is remote; or
- (ii) ~~(x)~~ the duties of the position are at such a level of responsibility that the submission of a statement of employment and financial interests is not necessary because of the degree of supervision and review over the incumbent or the inconsequential effect of any conflict of interest on the integrity of the Government.

Revised: 9 July 1970 (555)

CONFIDENTIAL



21

CONFIDENTIAL

HR [REDACTED]

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

PERSONA

25X1A

(e) The requirement to file an employment and financial interest statement applies whether or not the individual is to file such a statement with a cover organization. Personnel who hereafter become subject to the requirements to file a statement of employment and financial interests, either at the time of entry on duty or upon being promoted to or assigned new duties, will be so notified by the Operating Official or Head of Independent Office and will file their statements within 30 days after such notification.

(3) GRIEVANCE PROCEDURE. Any employee who believes that his position has been improperly designated as one requiring the submission of a statement of employment and financial interests may request the Inspector General to review such inclusion.

(4) PROCEDURES AND RESPONSIBILITIES

(a) Personnel required to file statements are to use Form 2630, Employee Confidential Statement of Employment and Financial Interests. An employee is not required to include any information about his connection with or interest in a professional society or a charitable, religious, social, fraternal, recreational, public service, civic, or political organization not conducted as a business enterprise. For this purpose, educational and other institutions doing research and development or related work involving grants of money from or contracts with the Government are considered business enterprises.

(b) Statements, including supplementary statements, will be marked "Employee Financial Statement, Eyes Only" and forwarded to the appropriate Operating Official or Head of Independent Office. Statements of Operating Officials and their deputies will be forwarded to the Deputy Director concerned.

(c) The Deputy Director, Operating Official, or Head of Independent Office will examine each statement and will comment whether in his opinion the duties of the employee involve the organizations, persons, or real property in which the employee has a financial interest or an employment relationship. If the comment is affirmative, the statement and the comment will be forwarded to the General Counsel. If the comment is negative, the statement will be held in an "Eyes Only" file in the immediate office of the Deputy Director, Operating Official, or Head of Independent Office.

(d) The General Counsel will review statements forwarded to him with affirmative comments and determine whether a conflict or apparent conflict of interest exists, consulting with the person submitting the statement and the Deputy Director, Operating Official, or Head of Independent Office, as appropriate. If he determines a conflict or appearance of conflict does exist, he will advise the appropriate official and return the statement to him for retention.

(e) Upon being advised by the General Counsel of a conflict or apparent conflict, the official who initially examined the statement will, in consultation with the General Counsel and, if appropriate, the employee, take action to resolve the conflict, as follows:

- (i) Reassign the employee or assign his significant duties to another employee
- (ii) Advise the employee to dispose of the financial interest, discontinue the employment relationship, or discharge the indebtedness which is the cause of the conflict
- (iii) Take other action as may be appropriate

CONFIDENTIAL

CONFIDENTIAL

PERSONNEL Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

25X1A

(f) The General Counsel will, with the approval of the Executive Director-Comptroller, establish the period for which statements must be retained and will so advise Deputy Directors, Operating Officials, and Heads of Independent Offices.

(g) Changes in or additions to the information in the statement of employment and financial interest will be reported in a supplementary statement as of 30 June each year. If no changes or additions have occurred, a negative report is required.

(5) GENERAL COUNSEL ASSISTANCE. The General Counsel will be available to advise and assist employees in the submission and review of statements of employment and financial interest.

PRESENTATION AND ACCEPTANCE OF GIFTS, SERVICES, AND DECORATIONS

(a) Government employees are forbidden by law from soliciting contributions from other employees for a gift to an official superior, making donations as a gift to an official superior, or accepting gifts from employees who receive less pay than themselves. (The law does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as a marriage, illness, or retirement.)

(b) No Agency official may require or coerce an employee to provide services, gratuitous or otherwise, that are outside the employee's official duties.

(c) No Agency employee may solicit or accept, directly or indirectly, from any person, corporation, or group, domestic or foreign, anything of economic value such as a gift, gratuity, or favor, if it might reasonably be interpreted by others as being of such a nature that it could affect his impartiality as an Agency employee, or if the employee has reasons to believe that the giver

(1) has or is seeking to obtain contractual or other business relationships with the Agency;

(2) has interests which may be substantially affected by the employee's performance or nonperformance of his official duty; or

(3) is in any way attempting to influence the employee's official actions.

No Agency employee may request or otherwise encourage the presentation of a decoration or gift from an agent, foreign officer, or foreign government. Foreign contacts will be discouraged, insofar as it is feasible, from presenting expensive gifts to Agency personnel.

Employees will accept gifts only when, in their best judgment, refusal would interfere with the official relationship between the employee and the agent, foreign officer, or foreign government to such a degree as to result in harm to operations. Gifts having a retail value not exceeding \$50 in the United States may be retained by the employee, but a gift exceeding \$50 in value is deemed to have been accepted in behalf of the United States and will be deposited by the donee for use and disposal as the property of the United States.

(d) Decorations or other items of an honorary nature which are received may be retained by the recipient, subject to approval by the Directorate of Personnel and concurrence of the Secretary of State.

(e) Gifts or decorations presented to a member of the immediate family or household of an employee are considered gifts or decorations presented to the employee.

→ Revised: 14 December 1976 (975)

CONFIDENTIAL

E2 IMPDET
CL BY: 008348

23

For Release 2001/09/01: CIA-RDP81-00142R000500010001-9

~~Personnel under cover will, as security and cover considerations dictate, comply with the regulations and practices of their cover organization regarding acceptance of gifts, money, or other items.~~

~~(e) The provisions of this subparagraph do not govern the acceptance of foreign decorations by military personnel when authorized by legislation.~~

(e) REPORTING ACCEPTANCE OF GIFTS AND DECORATIONS

(1) **REPORT BY EMPLOYEE.** If an employee or a member of his immediate family or household receives a gift or a decoration from a foreign government, the employee will immediately submit a memorandum through channels to the Director of Personnel stating the names of recipient and donor; an identification or description of the item and its estimated value if a gift; and other pertinent information.

(2) RESPONSIBILITIES

(a) Deputy Directors and Heads of Independent Offices will review each report submitted to them and advise the Director of Personnel of any security or cover circumstances which affect the disposition of the gift or award.

(b) The Director of Personnel will

7) review each report, determine action to be taken, and advise the employee through channels regarding disposition of the gift or award;

(ii) prepare and forward the necessary papers to Central Cover Staff when he approves an employee's retention of a decoration from a foreign government;

(iii) (3) notify the Honor and Merit Awards Board of foreign awards received by Agency personnel; and

(iv) provide for storage or other disposition of awards or gifts not approved for retention by recipients and of items accepted on behalf of the United States Government, including for the latter temporary loan to the recipient if operationally necessary.

(v) ~~is~~ The Central Cover Staff will request through cover channels the required concurrence of the Secretary of State in an employee's retention of a foreign decoration and notify the Director of Personnel of the action taken by the Secretary of State.

GIFTS TO FOREIGNERS. Operating Officials may authorize the expenditure of official funds to make true gifts to foreigners when such gifts are appropriate and when their value does not exceed \$50. Gifts exceeding \$50 in value require approval of the Deputy Director for Operations. (To be a true gift, it must not be given as a consideration for services rendered or as an operational method of payment.) In selecting or recommending gifts to foreigners, consideration should be given to items of appropriate sentimental as opposed to cash value and representative of American culture whenever possible and consistent with operational security considerations.

ENGAGING IN RIOTS AND CIVIL DISORDERS

(a) ~~in~~ DEFINITIONS

(1) (a) A riot is a public disturbance which involves the commission or threat of an act of violence by one or more persons, part of an assemblage of three or more persons, which act does or would injure or damage the person or the property of another individual.

CONFIDENTIAL

PERSONNEL Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

25X1A

(2) ~~(b)~~ A civil disorder is a public disturbance involving acts of violence by assemblages of three or more persons, which acts cause an immediate danger of or result in damage or injury to the property or person of another individual.

(3) ~~(c)~~ A felony is an offense for which imprisonment is authorized for a term exceeding one year.

(b) ~~(a)~~ STATUTORY PROVISIONS. An individual convicted by any Federal, state, or local court of

(1) ~~(a)~~ inciting, organizing, promoting, encouraging, participating or carrying on a riot or civil disorder;

(2) ~~(b)~~ aiding or abetting a person in committing such offense; or

(3) ~~(c)~~ any offense determined by the Agency to have been committed in furtherance of or while participating in a riot or civil disorder

becomes, if the offense for which convicted is a felony, ineligible for employment by the Government of the United States for five years immediately following the date upon which his conviction becomes final. An individual already employed by the Government of the United States and so convicted will be removed from employment on the date his conviction becomes final.

(c) ~~(d)~~ OTHER DISCIPLINARY ACTION. The Agency may suspend an employee pending investigation of charges that he had engaged in a riot or civil disorder. (See HHB [REDACTED])

25X1A

Revised: 9 July 1970 (975)

CONFIDENTIAL

GROUP 1
Excluded from automatic
downgrading and
declassification

24.1

Executive Order 11222

PRESCRIBING STANDARDS OF ETHICAL CONDUCT FOR GOVERNMENT OFFICERS AND EMPLOYEES

By virtue of the authority vested in me by Section 301 of Title 3 of the United States Code, and as President of the United States, it is hereby ordered as follows:

PART I—POLICY

SECTION 101. Where government is based on the consent of the governed, every citizen is entitled to have complete confidence in the integrity of his government. Each individual officer, employee, or adviser of government must help to earn and must honor that trust by his own integrity and conduct in all official actions.

PART II—STANDARDS OF CONDUCT

SECTION 201. (a) Except in accordance with regulations issued pursuant to subsection (b) of this section, no employee shall solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, from any person, corporation, or group which—

- (1) has, or is seeking to obtain, contractual or other business or financial relationships with his agency;
- (2) conducts operations or activities which are regulated by his agency; or
- (3) has interests which may be substantially affected by the performance or nonperformance of his official duty.

(b) Agency heads are authorized to issue regulations, coordinated and approved by the Civil Service Commission, implementing the provisions of subsection (a) of this section and to provide for such exceptions therein as may be necessary and appropriate in view of the nature of their agency's work and the duties and responsibilities of their employees. For example, it may be appropriate to provide exceptions (1) governing obvious family or personal relationships where the circumstances make it clear that it is those relationships rather than the business of the persons concerned which are the motivating factors—the clearest illustration being the parents, children or spouses of federal employees; (2) permitting acceptance of food and refreshments available in the ordinary course of a luncheon or dinner or other meeting or on inspection tours where an employee may properly be in attendance; or (3) permitting acceptance of loans from banks or other financial institutions on customary terms to finance proper and usual activities of employees, such as home mortgage loans. This section shall be effective upon issuance of such regulations.

(c) It is the intent of this section that employees avoid any action, whether or not specifically prohibited by subsection (a), which might result in, or create the appearance of—

- (1) using public office for private gain;
- (2) giving preferential treatment to any organization or person;
- (3) impeding government efficiency or economy;
- (4) losing complete independence or impartiality of action;
- (5) making a government decision outside official channels; or
- (6) affecting adversely the confidence of the public in the integrity of the Government.

Sec. 202. An employee shall not engage in any outside employment, in a conflict, or an apparent conflict, between the private interests of the

employee and his official government duties and responsibilities, although such teaching, lecturing, and writing by employees are generally to be encouraged so long as the laws, the provisions of this order, and Civil Service Commission and agency regulations covering conflict of interest and outside employment are observed.

SEC. 203. Employees may not (a) have direct or indirect financial interests that conflict substantially, or appear to conflict substantially, with their responsibilities and duties as Federal employees, or (b) engage in, directly or indirectly, financial transactions as a result of, or primarily relying upon, information obtained through their employment. Aside from these restrictions, employees are free to engage in lawful financial transactions to the same extent as private citizens. Agencies may, however, further restrict such transactions in the light of the special circumstances of their individual missions.

SEC. 204. An employee shall not use Federal property of any kind for other than officially approved activities. He must protect and conserve all Federal property, including equipment and supplies, entrusted or issued to him.

SEC. 205. An employee shall not directly or indirectly make use of, or permit others to make use of, for the purpose of furthering a private interest, official information not made available to the general public.

SEC. 206. An employee is expected to meet all just financial obligations, especially those—such as Federal, State, or local taxes—which are imposed by law.

PART III—STANDARDS OF ETHICAL CONDUCT FOR SPECIAL GOVERNMENT EMPLOYEES

SECTION 301. This part applies to all "special Government employees" as defined in Section 202 of Title 18 of the United States Code, who are employed in the Executive Branch.

SEC. 302. A consultant, adviser or other special Government employee must refrain from any use of his public office which is motivated by, or gives the appearance of being motivated by, the desire for private gain for himself or other persons, including particularly those with whom he has family, business, or financial ties.

SEC. 303. A consultant, adviser, or other special Government employee shall not use any inside information obtained as a result of his government service for private personal gain, either by direct action on his part or by counsel, recommendations or suggestions to others, including particularly those with whom he has family, business, or financial ties.

SEC. 304. An adviser, consultant, or other special Government employee shall not use his position in any way to coerce, or give the appearance of coercing, another person to provide any financial benefit to him or persons with whom he has family, business, or financial ties.

SEC. 305. An adviser, consultant, or other special Government employee shall not receive or solicit from persons having business with his agency anything of value as a gift, gratuity, loan or favor for himself or persons with whom he has family, business, or financial ties while employed by the government or in connection with his work with the government.

SEC. 306. Each agency shall, at the time of employment of a consultant, adviser, or other special Government employee require him to supply it with a statement of all other employment. The statement shall list the names of all the corporations, companies, firms, State or local governmental organizations, research organizations and educational or other institutions in which he is serving as employee, officer, member, owner, director, trustee, adviser, or consultant. In addition, it shall list such other financial information as the appointing department or agency shall decide is relevant in the light of the duties the appointee is to perform. The appointee may, but need not, be required to reveal precise amounts of investments. The statement shall be kept current throughout the period during which the employee is on the Government rolls.

Tuesday May, 11, 1965

FEDERAL REGISTER

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

PART IV—REPORTING OF FINANCIAL INTERESTS

SECTION 401. (a) Not later than ninety days after the date of this order, the head of each agency, each Presidential appointee in the Executive Office of the President who is not subordinate to the head of an agency in that Office, and each full-time member of a committee, board, or commission appointed by the President, shall submit to the Chairman of the Civil Service Commission a statement containing the following:

(1) A list of the names of all corporations, companies, firms, or other business enterprises, partnerships, nonprofit organizations, and educational or other institutions—

(A) with which he is connected as an employee, officer, owner, director, trustee, partner, adviser, or consultant; or

(B) in which he has any continuing financial interests, through a pension or retirement plan, shared income, or otherwise, as a result of any current or prior employment or business or professional association; or

(C) in which he has any financial interest through the ownership of stocks, bonds, or other securities.

(2) A list of the names of his creditors, other than those to whom he may be indebted by reason of a mortgage on property which he occupies as a personal residence or to whom he may be indebted for current and ordinary household and living expenses.

(3) A list of his interests in real property or rights in lands, other than property which he occupies as a personal residence.

(b) Each person who enters upon duty after the date of this order in an office or position as to which a statement is required by this section shall submit such statement not later than thirty days after the date of his entrance on duty.

(c) Each statement required by this section shall be kept up to date by submission of amended statements of any changes in, or additions to, the information required to be included in the original statement, on a quarterly basis.

SEC. 402. The Civil Service Commission shall prescribe regulations, not inconsistent with this part, to require the submission of statements of financial interests by such employees, subordinate to the heads of agencies, as the Commission may designate. The Commission shall prescribe the form and content of such statements and the time or times and places for such submission.

SEC. 403. (a) The interest of a spouse, minor child, or other member of his immediate household shall be considered to be an interest of a person required to submit a statement by or pursuant to this part.

(b) In the event any information required to be included in a statement required by or pursuant to this part is not known to the person required to submit such statement but is known to other persons, the person concerned shall request such other persons to submit the required information on his behalf.

(c) This part shall not be construed to require the submission of any information relating to any person's connection with, or interest in, any professional society or any charitable, religious, social, fraternal, educational, recreational, public service, civic, or political organization or any similar organization not conducted as a business enterprise and which is not engaged in the ownership or conduct of a business enterprise.

SEC. 404. The Chairman of the Civil Service Commission shall report to the President any information contained in statements required by Section 401 of this part which may indicate a conflict between the financial interests of the official concerned and the performance of his services for the Government. The Commission shall report, or by regulation require reporting, to the head of the agency concerned any information contained in statements submitted pursuant to regulations issued under Section 402 of this part which may indicate a conflict between the financial interests of the official or employee concerned and the performance of his services for the Government.

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

105. The statements and amended statements required by or pursuant to this part shall be held in confidence, and no information as to the contents thereof shall be disclosed except as the Chairman of the Civil Service Commission or the head of the agency concerned may determine for good cause shown.

SEC. 406. The statements and amended statements required by or pursuant to this part shall be in addition to, and not in substitution for, or in derogation of, any similar requirement imposed by law, regulation, or order. The submission of a statement or amended statements required by or pursuant to this part shall not be deemed to permit any person to participate in any matter in which his participation is prohibited by law, regulation, or order.

PART V—DELEGATING AUTHORITY OF THE PRESIDENT UNDER SECTIONS 205 AND 208 OF TITLE 18 OF THE UNITED STATES CODE RELATING TO CONFLICTS OF INTEREST

SECTION 501. As used in this part, "department" means an executive department, "agency" means an independent agency or establishment or a Government corporation, and "head of an agency" means, in the case of an agency headed by more than one person, the chairman or comparable member of such agency.

SEC. 502. There is delegated, in accordance with and to the extent prescribed in Sections 503 and 504 of this part, the authority of the President under Sections 205 and 208(b) of Title 18, United States Code, to permit certain actions by an officer or employee of the Government, including a special Government employee, for appointment to whose position the President is responsible.

SEC. 503. Insofar as the authority of the President referred to in Section 502 extends to any appointee of the President subordinate to or subject to the chairmanship of the head of a department or agency, it is delegated to such department or agency head.

SEC. 504. Insofar as the authority of the President referred to in Section 502 extends to an appointee of the President who is within or attached to a department or agency for purposes of administration, it is delegated to the head of such department or agency.

SEC. 505. Notwithstanding any provision of the preceding sections of this part to the contrary, this part does not include a delegation of the authority of the President referred to in Section 502 insofar as it extends to:

- (a) The head of any department or agency in the Executive Branch;
- (b) Presidential appointees in the Executive Office of the President who are not subordinate to the head of an agency in that Office; and
- (c) Presidential appointees to committees, boards, commissions, or similar groups established by the President.

PART VI—PROVIDING FOR THE PERFORMANCE BY THE CIVIL SERVICE COMMISSION OF CERTAIN AUTHORITY VESTED IN THE PRESIDENT BY SECTION 1753 OF THE REVISED STATUTES

SECTION 601. The Civil Service Commission is designated and empowered to perform, without the approval, ratification, or other action of the President, so much of the authority vested in the President by Section 1753 of the Revised Statutes of the United States (5 U.S.C. 631) as relates to establishing regulations for the conduct of persons in the civil service.

SEC. 602. Regulations issued under the authority of Section 601 shall be consistent with the standards of ethical conduct provided elsewhere in this order.

PART VII—GENERAL PROVISIONS

SECTION 701. The Civil Service Commission is authorized and directed, in addition to responsibilities assigned elsewhere in this order:

- (a) To issue appropriate regulations and instructions implementing Parts II, III, and IV of this order;
- (b) To review agency regulations from time to time for conformance with this order; and

Tuesday May, 11, 1965

FEDERAL REGISTER

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

6473

(c) To recommend to the President from time to time such revisions in this order as may appear necessary to ensure the maintenance of high ethical standards within the Executive Branch.

SEC. 702. Each agency head is hereby directed to supplement the standards provided by law, by this order, and by regulations of the Civil Service Commission with regulations of special applicability to the particular functions and activities of his agency. Each agency head is also directed to assure (1) the widest possible distribution of regulations issued pursuant to this section, and (2) the availability of counseling for those employees who request advice or interpretation.

SEC. 703. The following are hereby revoked:

- (a) Executive Order No. 10939 of May 5, 1961.
- (b) Executive Order No. 11125 of October 20, 1963.
- (c) Section 2(a) of Executive Order No. 10530 of May 10, 1954.
- (d) White House memorandum of July 20, 1961, on "Standards of Conduct for Civilian Employees."
- (e) The President's Memorandum of May 2, 1963, "Preventing Conflicts of Interest on the Part of Special Government Employees." The effective date of this revocation shall be the date of issuance by the Civil Service Commission of regulations under Section 701(a) of this order.

SEC. 704. All actions heretofore taken by the President or by his delegates in respect of the matters affected by this order and in force at the time of the issuance of this order, including any regulations prescribed or approved by the President or by his delegates in respect of such matters, shall, except as they may be inconsistent with the provisions of this order or terminate by operation of law, remain in effect until amended, modified, or revoked pursuant to the authority conferred by this order.

SEC. 705. As used in this order, and except as otherwise specifically provided herein, the term "agency" means any executive department, or any independent agency or any Government corporation; and the term "employee" means any officer or employee of an agency.

LYNDON B. JOHNSON

THE WHITE HOUSE,
May 8, 1965.

[F.R. Doc. 65-5018; Filed, May 10, 1965; 10:39 a.m.]

OGC 77-8270

12-28-77

28 December 1977

A

MEMORANDUM FOR: Director, National Foreign Assessment Center
Deputy Director for Operations
Deputy Director for Science and Technology
Inspector General
General Counsel
Legislative Counsel
Comptroller

25X1A

FROM:

[REDACTED]
Chief, Regulations Control Branch,
Information Systems Analysis Staff

25X1A

SUBJECT: Proposed Revisions of HR [REDACTED] Conduct
and Discipline (Jobs #8384 and 8385)

FOR YOUR CONCURRENCE OR COMMENTS:

The attached proposals were initiated by the Office of Personnel to update the regulations on conduct and discipline. Also attached is a marked copy of the current Headquarters Regulation to aid in your review. May we have your concurrence or comments by ²³ January 1978. If you have questions, please call [REDACTED] on extension 6758.

25X1A

25X1A

Attachments:

25X1A

1. Proposed HR [REDACTED]
2. Concurrence Sheets

cc: C/ISAS
AO/DCI
SSA/DDA
OP
OS
OF

Administrative - Internal Use Only
When separated from attachments

C-O-N-F-I-D-E-N-T-I-A-L

HQ. INSTRUCTION SHEET

REMOVE			INSERT			EXPLANATION
REG. NOS.	PAGE NOS.	DATE	REG. NOS.	PAGE NOS.	DATE	
HR [REDACTED]	19 20 21&22 23&24 24.1	12/14/76 3/3/76 7/9/70 12/14/76 7/9/70	HR [REDACTED]			<p>HR [REDACTED] is revised to update policy concerning conduct and discipline.</p> <p>A new paragraph d on types of corrective measures is added, and the paragraphs on the acceptance of gifts are clarified.</p> <p>Many of the paragraphs are relettered or renumbered with no change in text.</p> <p>The regulation is declassified and the control marking Administrative - Internal Use Only added.</p> <p>PEN AND INK CHANGE:</p> <p>In HR [REDACTED] last line, page 92, please change the reference to HR [REDACTED] to read HR [REDACTED]</p>
Arrows in the page margin show the locations of the changes described above.						

DISTRIBUTION: AB

ADMIN - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

STATINTL

PERSONNEL

HR [REDACTED]

STATINTL

6. CONDUCT AND DISCIPLINE. This regulation and HHB [REDACTED] Handbook of Required Regulatory Readings, ~~state~~ /prescribe/ basic rules of conduct applicable to staff personnel, contract personnel who have staff-like access to Agency installations or information, and military and civilian personnel detailed to the Agency, hereinafter referred to as employees.

a. GENERAL. The Agency endeavors to create conditions of employment and a working environment which /that/ encourage the maintenance of standards of employee conduct that reflect credit on the Government and the Agency. Emphasis is placed on avoiding and preventing acts of misconduct and unacceptable behavior through such positive measures as careful selection of personnel, proper training, good supervision, and employee awareness of the rules of conduct.

b. POLICY

(1) Employees are subject to the rules of conduct

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin - Internal Use Only

Admin-Internal Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

established by statute, congressional resolution, Executive order, and applicable Government regulations as well as those established by Agency directive.

(2) Employees who violate the rules of conduct are subject to disciplinary action, ~~which~~ may include official / that/ reprimand, probation, suspension, or separation.

(3) Any disciplinary action demands the exercise of responsible judgment so that an employee will not be penalized out of proportion to the character of the offense: this is particularly true of an employee who has a previous record of completely satisfactory service. Severe adverse actions, such as suspension, should be ordered only after a responsible determination that a less severe penalty, such as admonition or reprimand, is inadequate.

c. RESPONSIBILITIES

(1) Employees will:

(a) Acquaint themselves with the rules of conduct. When doubtful of the existence or meaning of an established rule of conduct, they will seek guidance from their

Admin-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

defend supervisors, personnel or administrative officer, the deputy counselor on matters of conduct for their directorate, or the Director of Personnel. When the legality of a proposed activity is in doubt, the employee or supervisor will request the opinion of the General Counsel.]

(b) Monitor and be accountable for any activities of their dependents that might reasonably be construed to affect the security of the Agency, directly or indirectly. [Such activities include but are not limited to political, economic, and financial activities, speeches, writing for publication, joining certain types of organizations, and accepting gifts.]

(2) Each Deputy Director and Head of Independent Office will:

(a) Appoint a deputy counselor to advise employees on matters of conduct.

STATINTL (b) Ensure that the rules of conduct summarized in HHB [redacted] Handbook of Required Regulatory Readings, are
/, /
available and brought to the attention of all employees in

Admin-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

October of each year.

(c) Ensure that supervisors and others who have personnel management responsibilities read HHB [REDACTED] Promoting Good Employee Performance and Conduct, and provide these officials guidance and advice when violations of Agency rules occur.

STATINTL

→ (d) Ensure that appropriate officials take corrective action, including recommendations with supporting documentation to the Director of Personnel when violations of rules are reported. /, /

→ (3) The General Counsel will:

(a) Serve as counselor to Agency employees on questions of conflicts of interest and other matters of conduct.

(b) Coordinate, as requested, the counseling services of the deputy counselors appointed by each Deputy Director. ~~and~~

(c) Serve as the Agency's designee to the Civil Service Commission on all conflict of interest matters.

/ / / /

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin-INTERNAL Use Only

ADMIN-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(4) The Director of Personnel will :

(a) Ensure that all new employees read HHB [REDACTED]
at the time of entrance-on-duty and that each employee
processing PCS for the field reads [REDACTED] and

STATINTL

STATINTL

(b) Advise and assist management officials and
supervisors concerning the disciplinary actions prescribed
in this regulation.

→
d. TYPES OF CORRECTIVE MEASURES

(1) Oral warning ~~Admonition~~ is given employees
/An o/ /is an a/
by their supervisors whenever necessary to point out
deficiencies in conduct.

(2) Official reprimand is a formal memorandum
/An o/
from the Head of a Career Service /to the employee that
/ or designee /
describes the individual's misconduct.

(3) Suspension is a temporary enforced absence
from duty in a nonpay status. It may be imposed as a
disciplinary action for serious misconduct, for repeated
infractions of a less serious nature, or pending the outcome
of an investigation of misconduct.
↳

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin- Internal Use Only

ADMIN - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

→

(4) Enforced annual leave may be used when it is necessary to immediately remove an employee from Agency premises. Such action may be used before any type of disciplinary action has been initiated or decided upon.

(5) ~~An employee may be relieved~~ from duty, but
/R/ /f/
continued in a pay status, during investigation of the
/ation/
employee for wrong-doing when it is in the Agency's interest to have the individual off the job ~~preliminary to a~~
/pending/
determination that may involve suspension or removal.

(6) ~~An employee may be separated~~ from the Agency
/S/ /ion/
as a disciplinary measure for violation of Agency rules

STATINTL

(see HR [REDACTED])

e. PROCEDURES FOR TAKING DISCIPLINARY ACTION.

The procedures for taking appropriate disciplinary action when employees violate Agency rules are prescribed in HHB 20-5, Promoting Good Employee Performance and Conduct.

f. SPECIAL PROCEDURES. _____

_____ The following areas of employee conduct are subject to special procedures:

↳

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN - INTERNAL USE ONLY

ADMIN-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

STATINTL (1) CONFLICTS OF INTEREST. Statutory and Agency restrictions pertaining to conflicts of interest are ~~stated~~ /contained/ in HHB [REDACTED] Handbook of Required Regulatory Readings.

(a) ~~REPORTING~~. Supervisors are responsible for /eporting/ reporting through channels to the Deputy Director or Head of Independent Office concerned violations or apparent violations of rules on conflicts of interest. The report will be forwarded immediately by the Deputy Director or Head of Independent Office to the Inspector General for investigation. A copy of the report ~~will also~~ be sent to the General Counsel. // / will /

define (b) ~~APPROVAL OF EXCEPTIONS~~. Though an actual /pproval of Exceptions/ /Alt/ conflict of interest can never be permitted, permission may be granted employees to enter into or continue apparent conflicts of interest in certain special situations.

(1) An employee wishing to enter into a contract with the United States Government for reasons not related to Agency employment will submit a detailed request for approval through channels to the appropriate Deputy Director or Head of Independent Office. The proposed contract must be

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN-INTERNAL Use Only

submitted with the request. Before approving the request, the Deputy Director or Head of Independent Office ~~is to~~ seek ^{/will/} the opinion of the General Counsel by submitting the contract with a memorandum stating the pertinent facts.

(2) The Director of Central Intelligence may grant an employee permission to enter into or continue an apparent conflict of interest if cover or operations warrant. Requests for such permission are subject to the following procedures:

(a) The Deputy Director or Head of Independent Office who has jurisdiction over the employee will submit a memorandum stating the pertinent facts to the General Counsel, who will determine whether the activity in question is a real or only an apparent conflict of interest.

(b) If the General Counsel determines that the conflict of interest is apparent only, and if the Deputy Director or Head of Independent Office believes the activity is sufficiently desirable for cover or operational reasons to justify an exception to the prohibition, a proposed

Admin - Internal Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

authorization suspending the pertinent prohibition will be submitted to the Director for consideration. A copy of the memorandum submitted to the General Counsel and a copy of the General Counsel's determination should be forwarded with the authorization. A copy of this report ~~will also~~ be forwarded // / will / to the Inspector General for information.

(c) ~~REPORTING EMPLOYMENT AND FINANCIAL INTERESTS.~~
/Employment and Financial Interests/
This paragraph provides ~~policy and procedures~~ for reporting // / and responsibilities /
employment and financial information to permit the Agency to determine the existence of a conflict of interest or an apparent conflict of interest. It implements Executive Order 11222, ~~date May 8, 1965,~~ and Civil Service Commission / dated 8 May 1965 / regulations as revised ~~June 9,~~ 1967.
/9 June/

(1) ~~GENERAL~~
/eneral/

(a) Information supplied in accordance with this paragraph will be reviewed only by the officials designated herein, who are responsible for ensuring it is not discussed with or made available to others.

(b) Notwithstanding the filing of the annual

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin - Internal Use Only

ADMIN-INTERNAL SECURITY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

report required by this paragraph, each employee ~~will~~ at all times avoid acquiring a financial interest that results, or / will / taking an action that could result, in a violation of the conflicts of interest provisions of Section 208, Title 18, United States Code. These provisions state generally that Government employees may not participate personally or substantially, as a Government employee, in matters ~~which~~ /that/ affect their financial interest, that of their family, or that of an organization in which they are officers, directors, or employees.

(2) ~~PERSONNEL REQUIRED TO FILE~~. Agency personnel /ersonnel Required to File/ will file employment and financial interest statements if they are in any of the categories specified in paragraphs (a), (b), or (c) immediately below:

(a) Personnel paid at a level of the Federal Executive Salary Schedule.

(b) Personnel classified at GS-13 or above, or at a comparable pay level, in positions determined by the appropriate Deputy Director, Operating Official, or Head of

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN-INTERNAL USE ONLY

ADMIN - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Independent Office to be positions whose incumbents are responsible for making a Government decision or taking a Government action regarding:

- (1) Contracting or procurement;
/i/
- (2) Administering or monitoring grants or subsidies;
/ii/
- (3) Regulating or auditing private or other non-
/iii/

Federal enterprise; or

(4) Other activities where the decision or action
/iv/
has an economic impact on the interests of any non-Federal enterprise.

(c) Personnel classified at GS-13 or above, or at a comparable level, in positions which the appropriate Deputy Director, Operating Official, or Head of Independent Office has determined to have duties and responsibilities ~~which~~ require the incumbent to report employment and /that/ financial interests in order to avoid involvement in a possible conflict of interest.

(d) Personnel in positions designated under paragraph (b) above may be excluded from the reporting

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN - INTERNAL USE ONLY

ADMIN-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

*GS-12⁺
and below
shall*

requirement if the designating official also determines that:

(i) The duties of the position are such that the
/i/
likelihood of the incumbent's involvement in a conflict of
interest is remote; or

(ii) The duties of the position are at such a level
/ii/
of responsibility that the submission of a statement of
employment and financial interests is not necessary because
of the degree of supervision and review over the incumbent
or the inconsequential effect of any conflict of interest on
the integrity of the Government.

(e) The requirement to file an employment and
financial interest statement applies whether or not the
individual is to file such a statement with a cover
organization. Personnel who hereafter become subject to the
requirements to file a statement of employment and financial
interests, either at the time of entry on duty or upon being
promoted to or assigned new duties, will be so notified by
the Operating Official or Head of Independent Office and will
file their statements within 30 days after such notification.

ILLEGIB

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin-Internal Use Only

12

ADMIN - INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(3) ~~GRIEVANCE PROCEDURE~~. Employees who believe
/rивance Procedure/
that their positions have been improperly designated as
requiring the submission of statements of employment and
financial interests may request the Inspector General to
review such inclusions.

(4) ~~PROCEDURES AND RESPONSIBILITIES~~
/rocedures and Responsibilities/
(a) Personnel required to file statements are to
use Form 2630, Employee Confidential Statement of Employment
and Financial Interests. Employees are not required to
include any information about their connection with or
interest in a professional society or a charitable, religious,
social, fraternal, recreational, public service, civic, or
political organization not conducted as a business enterprise.
For this purpose, educational and other institutions doing
research and development or related work involving grants of
money from or contracts with the Government are considered
business enterprises.

(b) Statements, including supplementary statements,
will be marked "'Employee Financial Statement, Eyes Only''

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN - INTERNAL Use Only

~~ADMIN - INTERNAL USE ONLY~~

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

and forwarded to the appropriate Operating Official or Head of Independent Office. Statements of Operating Officials and their deputies will be forwarded to the Deputy Director concerned.

(c) The Deputy Director, Operating Official, or Head of Independent Office will examine each statement and will comment whether the duties of the employee involve the organizations, persons, or real property in which the employee has a financial interest or an employment relationship. If the comment is affirmative, the statement and the comment will be forwarded to the General Counsel. If the comment is negative, the statement will be held in an "Eyes Only" file in the immediate office of the Deputy Director, Operating Official, or Head of Independent Office.

(d) The General Counsel will review statements forwarded with affirmative comments and determine whether a conflict or apparent conflict of interest exists, consulting with the person submitting the statement and the Deputy Director, Operating Official, or Head of Independent Office,

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

~~ADMIN - INTERNAL USE ONLY~~

110

~~ADMIN - INTERNAL USE ONLY~~

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

as appropriate. If it is determined that a conflict or ~~appearance of~~ conflict does exist, the General Counsel will ~~/arent/~~ advise the appropriate official and return the statement for retention.

(e) Upon being advised by the General Counsel of a conflict or apparent conflict, the official who initially examined the statement will, in consultation with the General Counsel and, if appropriate, the employee, take action to resolve the conflict, as follows:

(i) Reassign the employee or assign any significant ~~/i/~~ duties to another employee.

(ii) Advise the employee to dispose of the ~~/ii/~~ financial interest, discontinue the employment relationship, or discharge the indebtedness which is the cause of the conflict.

(iii) Take other action as may be appropriate. ~~/iii/~~

(f) The General Counsel will, with the ~~approval of~~ ~~/concurrence/~~ the ~~Executive Director~~ Comptroller, establish the period for which statements must be retained and will so advise Deputy

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

~~Admin - Internal Use Only~~

ADMIN - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Directors, Operating Officials, and Heads of Independent Offices.

(g) Changes in or additions to the information in the statement of employment and financial interest will be reported in a supplementary statement as of 30 June each year. If no changes or additions have occurred, a negative report is required.

(5) ~~GENERAL COUNSEL ASSISTANCE~~. The General Counsel will be available to advise and assist employees in the submission and review of statements of employment and financial interest.

→ (2) PRESENTATION AND ACCEPTANCE OF GIFTS

(a) Government employees are forbidden by law from soliciting contributions from other employees for a gift to an official superior, making donations as a gift to an official superior, or accepting gifts from employees who receive less pay than themselves. (The law does not prohibit a voluntary gift of nominal value or donation in a nominal amount made on a special occasion such as a marriage, illness,

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN - INTERNAL USE ONLY

ADMIN - INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

or retirement.)

(b) No Agency official may require or coerce an employee to provide services, gratuitous or otherwise, that are outside the employee's official duties.

→
→ (c) No Agency employee may solicit or accept, directly or indirectly, from any person, corporation, or group, domestic or foreign, anything of economic value such as a gift, honorarium, gratuity, a gift to a charity chosen by the honoree, or a favor, if it is for or because of any official act performed by the employee, ~~or~~ if it might reasonably be interpreted by others as being of such a nature that it could affect the impartiality of an Agency employee, or if the employee has reasons to believe that the giver:

(1) Has or is seeking to obtain contractual or other business relationships with the Agency;

(2) Has interests ~~which~~ /that/ may be substantially affected by the employee's performance or nonperformance of ~~his~~ official duty; or

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Admin - Internal Use Only

ADMIN-INTERNAL Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(3) Is in any way attempting to influence the employee's official actions.

→ (3) FOREIGN GIFTS AND DECORATIONS

(a) ~~GENERAL~~. Under the provisions of the Foreign Gifts and Decorations Act of 1966 (~~PL~~ 89-673) ~~no~~ employee or member of the family or household of the employee may request or otherwise encourage the tender of a gift or decoration from a foreign government.

(b) ~~GIFTS OF MINIMAL VALUE~~. Gifts of minimal value received as souvenirs or marks of courtesy from an agent, foreign officer, or foreign government may be accepted and retained by the donee upon notification to the Director of Personnel. A gift is considered to be of minimal value if it has a retail value in the United States not in excess of \$50. It is the responsibility of the donee to establish the value of the gift.

(c) ~~GIFTS EXCEEDING MINIMAL VALUE~~. Where a gift is tendered by an agent, foreign officer, or foreign government ~~that~~ is believed to have a retail value in the

↳

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN-INTERNAL Use Only

~~ADMIN - INTERNAL USE ONLY~~

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

United States exceeding \$50, the donor ~~should~~ normally be advised that it is contrary to the policy of the United States for Government employees to accept substantial gifts. If, however, the refusal of such a gift would be likely to cause offense or embarrassment to the donor, or would adversely affect operations, cover, or the foreign relations of the United States, the gift may be accepted. Foreign gifts accepted in this manner are deemed to have been accepted on behalf of the United States and shall be deposited with the Director of Personnel for transmittal in a secure manner to the Chief of Protocol, Department of State for appropriate disposition.

(d) ~~FOREIGN DECORATIONS~~. Provisions of the Foreign Gifts and Decorations Act concerned with decorations are contained in HR [REDACTED]

(e) ~~REPORTING FOREIGN GIFTS AND DECORATIONS~~
/eorting Foreign Gifts and Decorations/
(1) ~~REPORT BY EMPLOYEE~~. If an employee or a member of the employee's immediate family or household receives a gift or a decoration from a foreign government,

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

~~ADMIN - INTERNAL USE ONLY~~

ADMIN - INTERNAL USE ONLY

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

the employee ~~will~~ immediately submit a memorandum through
// / will /
channels to the Director of Personnel stating the names of the
recipient and donor, an identification or description of the
item, its estimated retail value in the United States, if a
→ gift, and the circumstances under which the decoration or
→ gift was presented.

(2) ~~RESPONSIBILITIES~~
/responsibilities/

(a) Deputy Directors and Heads of Independent

Offices will review each report submitted to them and advise
the Director of Personnel of any security or cover
circumstances which affect the disposition of the gift or
/that/
decoration.

(b) The Director of Personnel will:

(1) Review each report, determine action to be
/i/
taken, and advise the employee through channels regarding
disposition of the gift or decoration.

→ (1) ~~obtain~~ After review and concurrence by the
/ii/
Chief, Central Cover Staff, approval of the Chief of Protocol
/ obtain /
for retention by the Agency of foreign gifts which have been
/that/
↳ accepted on behalf of the U.S. Government (value in excess

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

ADMIN - INTERNAL USE ONLY

→ of \$50) and are required for official display purposes.

(i) Provide for the transfer of all other
/iii/
foreign gifts valued in excess of \$50 to the Chief of Protocol for appropriate disposition after review and concurrence by the Chief, Central Cover Staff.

(ii) Request that the Chief, Central Cover Staff
/iv/
obtain the concurrence of the Chief of the Protocol when the Director of Personnel approves the retention of a foreign
/an employee's/
decoration.

→ (iii) Maintain records indicating the receipt and
/v/
disposition of all foreign gifts and decorations reported by Agency employees.

(4) GIFTS TO FOREIGNERS. Operating Officials may authorize the expenditure of official funds to make true gifts to foreigners when such gifts are appropriate and when their value does not exceed \$50. Gifts exceeding \$50 in value require approval of the Deputy Director for *Understand* Operations. To be a true gift, it must not be given as a consideration for services rendered or as an operational

method of payment. In selecting or recommending gifts to foreigners, consideration should be given to items of appropriate sentimental as opposed to cash value and representative of American culture whenever possible and consistent with operational security considerations.

(5) ENGAGING IN RIOTS AND CIVIL DISORDERS

(a) ~~DEFINITIONS~~
/efinitions/

(1) A riot is a public disturbance ~~which~~ involves
/that/
the commission or threat of an act of violence by one or more persons, [part of an assemblage of three or more persons,
/ who are /
~~which act~~ does or would injure or damage the person or
/that/
property of another individual.

(2) A civil disorder is a public disturbance involving acts of violence by assemblages of three or more persons, ~~which acts~~ cause an immediate danger of or result
/ that/
in damage or injury to the property or person of another individual.

(3) A felony is an offense for which imprisonment is authorized for a term exceeding one year.

Administrative - Internal Use Only

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(b) Statutory Provisions. An individual convicted by a Federal, State, or local court of any of the following offenses becomes ineligible for employment by the Federal Government for five years immediately following the date on which conviction becomes final, if the conviction is for a felony:

(1) Inciting, organizing, promoting, encouraging, participating in, or carrying on a riot or civil disorder.

(2) Aiding or abetting a person in committing such offense.

(3) Any offense determined by the Agency to have been committed in furtherance of or while participating in a riot or civil disorder.

An individual already employed by the Government of the United States and so convicted will be removed from employment on the date conviction becomes final.

(c) Other Disciplinary Action. The Agency may suspend employees pending investigation of charges that they had engaged in a riot or civil disorder (see HHB [REDACTED]).

STATINTL

DISTRIBUTION: AB

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

STATINTL

a. EMPLOYEE RESPONSIBILITIES AND CONDUCT. Maintenance of the highest standards of honesty, integrity, impartiality, and behavior by Government employees is essential to proper conduct of governmental affairs and continuing public confidence in the Government. Because the avoidance of misconduct and conflicts of interest is indispensable to this effort, this regulation prescribes standards of conduct and responsibility for employees and requires periodic statements of employment and financial interests.

1. Definitions.

(a) "Agency" and "CIA" mean the Central Intelligence Agency.

(b) "Employee" means any officer or employee, whether a U.S. citizen or Permanent Resident Alien, appointed by the Director of Central Intelligence or his designee or whose services are acquired by written contract which specifically provides that they are an employee, as well as, unless otherwise specified, any "special Government employee," including any officer or employee of CIA who is retained, designated, appointed or employed to perform temporary duties on a full-time or intermittent basis, with or without compensation, for up to 130 days during any period of 365 consecutive days.

(c) "Executive Order" means Executive Order 11222 of 8 May 1965.

(d) "Person" means an individual, corporation, company, association, firm, partnership, society, joint stock company, or any other organization or institution.

(e) "Member of an employee's family" means a spouse, minor child, or other member of an employee's immediate household. For the purpose of these regulations "member of an employee's immediate household" means blood and in-law relations who are residents of the employee's household.

(f) "Counselor" means the General Counsel of CIA acting as CIA's Counselor on Ethical Conduct and Conflicts of Interest.

2. Interpretative and Counseling Service.

(a) The Counselor serves as designee of the Director of Central Intelligence to the Civil Service Commission and to the Congress on matters covered by this regulation. He is responsible for coordinating the counseling services provided under this section, assuring that counseling and interpretative

services as to conflict of interest questions. This regulation are available to designated Deputy Counselors and employees, and advising on all legal matters arising under this regulation.

(b) The Inspector General and the Director of Personnel are designated as Deputy Counselors.

(1) The Inspector General will be responsible for

(a) Reviewing statements of employment and financial interests filed pursuant to the provisions of HR [REDACTED]

(b) Investigating and reviewing matters as requested by the Counselor.

(c) Reporting to the Counselor on his findings after such review, with appropriate recommendations.

(2) The Director of Personnel will be responsible for

(a) Ensuring that the rules of conduct summarized in HHB [REDACTED] Handbook of Required Regulatory Readings, are available to all Agency employees;

(b) Ensuring that all employees read HHB [REDACTED] and this regulation at the time of entrance on duty and read 18 U.S.C. §207 prior to leaving Agency employment.

(c) Advising and assisting in the disciplinary actions noted in paragraph (a)(4) below.

(c) The Counselor shall designate Deputy Counselors from each Agency component who are qualified and in a position to give authoritative advice and guidance to employees who seek advice and guidance on conflict of interest questions and other matters covered by this regulation.

(d) CIA employees should consult with their Deputy Counselors with regard to any questions concerning this part. Resolution of problems disclosed by such consultations will be accomplished through counseling and review of all legal matters by the Office of General Counsel, and action taken to eliminate real or apparent conflicts of interest. The services of the Inspector General will be requested by the Counselor, when necessary, to conduct investigations to ascertain all relevant facts.

(e) Any CIA employee receiving an allegation of a possible violation of the provisions of this part by any other CIA employee (including civilian and military personnel of other Government agencies, regularly detailed to CIA) shall promptly report it directly to the Inspector General who shall consult the Counselor for resolution.

Is this the proper place for this statement?

(f) The Counselor and Deputy Counselors shall periodically notify employees of the availability of this counseling service. New employees shall be advised of this service at the time of entrance on duty, and all employees contemplating employment after leaving the Agency should be advised that relevant statutory prohibitions may restrict such activities.

3. Detailed Employees. This regulation is applicable to employees of another U.S. Government agency who may be serving with CIA on detail or assignment, formally or informally, on a reimbursable basis through a Participating Agency Service Agreement or otherwise. However, a disciplinary action for violations, except unauthorized disclosure of intelligence sources and methods, may be taken against such employees only by the detailing agency.

4. Violations. A violation of this regulation may be cause for appropriate disciplinary action. All disciplinary or remedial action taken hereunder will be in conformance with applicable laws, Executive Orders, Civil Service Commission regulations and CIA regulations. Appropriate disciplinary or remedial action includes, but is not limited to, divestiture by the employee of his conflicting interest, disqualification for particular assignments, reassignment, or disciplinary action including reprimand, probation, suspension, or separation.

5. General Policy.

(a) Employees shall: (1) conduct themselves so as to avoid damage to the integrity of the Agency and the Federal Government and be mindful in all their activities, personal or official, of the high standards by which their behavior is measured; (2) neither grant nor in any way appear to grant favored treatment or unfair advantage

to any member of the public, including former employees, dealing with the Agency:

(3) avoid any activity, whether or not specifically prohibited in this regulation, which might result in, or create the appearance of, (i) the use of public office for private, personal gain, (ii) preferential treatment for any person or organization, (iii) impeding governmental efficiency or economy, (iv) loss of impartiality or complete independence of judgment, (v) making governmental decisions outside official channels, or (vi) adversely affecting public confidence in governmental integrity.

Define

(b) Certain responsibilities placed on employees may also apply to the activities of members of their families. These are the restrictions with regard to: acceptance of gifts; financial interests; economic and financial activities abroad; teaching, lecturing, and writing; participation in activities of private organizations; and political activities.

6. Gifts, Entertainment, Favors.

(a) Agency officers and employees may not:

Change

(1) Accept any gratuities, including dinner, theater invitations, hunting privileges, tickets to athletic events, or similar benefits from an Agency contractor. Even if the employee were expected to pay for such amenities, he should not accept anything that provides him with an advantage he could ordinarily not obtain, e.g., golf privileges at an exclusive country club, football or theater tickets. Exceptions may be permitted where there is a close family or personal relationship with the donor and where the circumstances make it clear that it is such relationship rather than the business of the persons concerned which is the motivating factor; however, in such cases due consideration still must be given to avoiding an appearance of a conflict of interest. For example, if the representative of a company having Agency contacts is a neighbor with whom an official has been socially close and exchanged gifts for years, there would be no real conflict in accepting a gift offered. However, the appearance created by receipt of such a gift in some instances could create problems, as where the Agency official involved is in a position to approve a contract arrangement of the donor.

(2) Accept (i) transportation or accommodations from an Agency contractor in, for example, those instances where an employee is offered transportation in an aircraft or boat, regardless of whether it is the contractor or its representative who

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7
have a bill; or (ii) meals or refreshments from an Agency contractor, except on an infrequent basis in the course of official business when alternative arrangements are clearly impracticable.

(3) Accept anything of monetary value from an Agency contractor, except advertising or promotional materials such as matchbooks, paperweights, pens, calendars, or other such items of nominal value. As a rule, gifts having value of ten dollars or less are considered to be of nominal value.

(4) Attend hospitality suites or social functions hosted by an Agency contractor. Attendance at ceremonial activities of mutual interest to industry and the Agency may be permitted, provided the invitation is addressed to or approved *who?* by the Agency; however, attendance at social functions hosted by contractors in connection with an acceptance or delivery ceremony is prohibited when the social function is not an integral part of the actual ceremony. Attendance at widely attended luncheons, banquets, or similar gatherings sponsored or hosted by industrial, technical, professional, or similar associations for the discussion of matters of mutual interest to the Government may be permitted also; however, acceptance of entertainment or refreshments from contractors at such association activities is prohibited. The purpose of this prohibition is to avoid any appearance that a contractor may be attempting to influence an Agency official in the performance of his official duties.

(5) Accept preferential treatment at a contractor's public display or booth.

(6) Accept preferential treatment in receiving premiums, contest prizes, gifts, or similar items given by contractors except on the same basis as offered to members of the public, generally.

(7) Accept or solicit contributions from an Agency contractor to a charitable, educational, or philanthropic organization.

(b) Any gratuity, the receipt of which is prohibited under paragraph a, will be returned to the donor.

(c) Nothing in this regulation is intended to prohibit (i) acceptance of loans from financial institutions on customary terms to finance proper and usual activities, such as home mortgages; (ii) contributions for charitable or philanthropic organizations or acceptance of meals, tickets, entertainment, or similar gratuities

from a person or business concern that is not an Agent or contractor or whose business would not be affected by Agency policies, determinations, or other matters which are under the employees's official responsibility as a Government officer or employee; or (iii) attendance at promotional training sessions when the vendor's products or systems are provided to the Agency and the training is intended to facilitate their utilization by Agency personnel.

(d) Acceptance of expenses for travel, subsistence, and such other necessary services furnished under a reimbursable arrangement with the Agency may be permitted when authorized as being in the Government interest; however, no employee shall be reimbursed for excessive or extravagant expenses.

7. Gifts to Superiors. An employee shall not solicit a contribution from another employee for a gift to an official superior, make a donation as a gift to an official superior, or accept a gift from an employee receiving less pay than himself.

5 U.S.C. 7351. However, a voluntary gift of nominal value or donation in a nominal amount in connection with special occasions such as marriage, illness, or retirement is not prohibited.

8. Gifts, Entertainment, Favors to or From Foreign Governments.

(a) An employee shall not solicit or accept a gift, present, decoration, or other thing of value from a foreign Government unless authorized by Congress as provided by the United States Constitution, 5 U.S.C. 7342, P.L. 95-105, and the regulations promulgated thereunder.

(b) In matters involving a foreign Government, person, firm, corporation, or any other foreign entity, where it is the judgment of the employee that participation in activities similar to those described in Section a. (6)(a), or acceptance of any favor, gratuity, or entertainment directly or indirectly from a foreign entity which engages or is endeavoring to engage in business transactions of any type with the U.S. Government, will best serve the interests of the U.S. Government, a report of the circumstances, together with a statement of the manner in which the Government's interests will be served, will be made within 72 hours to the employee's supervisor. Where the supervisor has any doubt as to the propriety of the incident, the report will be forwarded to the appropriate Deputy Counselor for review and appropriate action.

(i) No Agency employee may request or otherwise encourage the presentation of a decoration or gift from an agent, foreign officer, or foreign government. Foreign contacts will be discouraged, insofar as it is feasible, from presenting expensive gifts to Agency personnel.

(ii) Employees will accept gifts only when, in their best judgment, refusal would interfere with the official relationship between the employee and the agent, foreign officer, or foreign government to such a degree as to result in harm to operations. Gifts having a retail value not exceeding \$100 in the United States may be retained by the employee. A gift exceeding \$100 in value must be reported by the recipient to the Inspector General and deposited with the U.S. Government within 60 days of receipt. Failure to report and deposit such gifts carries a statutory penalty of up to a \$1000 fine or one year in jail. P.L. 95-105.

(iii) Decorations or other items of an honorary nature which are received may be retained by the recipient, subject to approval by the Director of Personnel and concurrence of the Secretary of State.

(iv) Gifts or decorations presented to a member of the immediate family or household of an employee are considered gifts or decorations presented to the employee.

(d) (1) If an employee or a member of his immediate family or household receives a gift or a decoration from a foreign government, the employee will immediately submit a memorandum through channels to a Deputy Counselor stating the names of recipient and donor, an identification or description of the item and its estimated value if a gift, and other pertinent information.

(2) (a) Deputy Counselors will review each report submitted to them and advise the Director of Personnel of any security or cover circumstances which affect the disposition of the gift or award.

(b) The Director of Personnel will

(1) review each report, determine action to be taken, and advise the employee through channels regarding disposition of the gift or award;

(2) prepare and forward the necessary papers to Central Cover Staff when he approves an employee's retention of a decoration from a foreign government;

(3) notify the Honor and Merit Awards Board of foreign awards

received by Agency personnel; and

(4) provide for storage or other disposition of awards or gifts not approved for retention by recipients and of items accepted on behalf of the U.S. Government, including for the latter temporary loan to the recipient if operationally necessary.

(c) The Central Cover Staff will request through cover channels the required concurrence of the Secretary of State in an employee's retention of a foreign decoration and notify the Director of Personnel of the action taken by the Secretary of State.

(e) Operating Officials may authorize the expenditure of official funds to make true gifts to foreigners when such gifts are appropriate and when their value does not exceed \$50. Gifts exceeding \$50 in value require approval of the Deputy Director for Operations. (To be a true gift, it must not be given as a consideration for services rendered or as an operational method of payment.) In selecting or recommending gifts to foreigners, consideration should be given to items of appropriate sentimental as opposed to cash value and representative of American culture whenever possible and consistent with operational security considerations.

9. Outside Employment And Other Activities

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(a) An employee shall not engage in outside employment or other outside

activities which are incompatible with the full and proper discharge of Government duties and responsibilities. See HR [REDACTED]. Incompatible activities include, but are not limited to:

(1) Acceptance of a fee, compensation, gift, expense payment, or any other thing of monetary value in circumstances in which acceptance may result in, or create the appearance of, a conflict of interest; or

(2) Outside employment which tends to impair the mental or physical capacity of the employee to satisfactorily perform Government duties and responsibilities.

(b) An employee shall not receive any salary or anything of monetary value from a private source of compensation for performance of Government duties and responsibilities. 18 USC §209.

(c) Employees are encouraged to engage in teaching, lecturing and writing in conformance with law, ^{or} the Executive Order, this or other applicable CIA regulations, and the secrecy agreement. An employee shall not, however, with or without compensation, engage in such activities for the purpose of specially preparing any person for examination by the Civil Service Commission, the Foreign Service, or the CIA, and involving information obtained as a result of Government employment. ^{See} Executive Order 9367. This restriction shall not apply to information which has been or will be made available to the general public, or to nonpublic information the use of which the Director of Central Intelligence has determined in writing will be in the public interest. In addition, an employee who is a Presidential appointee under section 401(a) of the Executive Order shall not receive compensation or anything of monetary value for any consultation, lecture, discussion, writing, or appearance the subject matter of which is devoted substantially to the responsibilities, programs or operations of CIA, or which draws substantially on official data or ideas which have been made public. Employees are referred to the detailed ^{regulations} CIA with respect to acceptance of offers to consult, lecture, discuss, write or appear where the subject matter is devoted substantially to foreign policy, intelligence operations, other aspects of national security, or intelligence sources and methods.

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

(d) An employee shall not render any services, with or without compensation, to any foreign government, state, province, semi-governmental agency, or municipality of any foreign government, or to any international organization of states. This restriction shall not prevent the rendering of such services on behalf of the United States and at the direction of CIA, or to an international organization of states when otherwise consistent with law and at the direction of appropriate government officials or the appropriate Deputy Director or his designee, in coordination with the Director of Personnel.

(e) This section does not preclude an employee from:

(1) Participation in the activities of national or state political parties not otherwise proscribed by law or regulation; or

(2) Participation in the affairs of, or acceptance of an award for a meritorious public contribution or achievement from a charitable, religious, professional, social, fraternal, nonprofit educational and recreational, public service, or civic organization.

10. Economic And Financial Activities Abroad.

(a) An employee abroad is prohibited from engaging in the following activities in any foreign country except with advance written approval by the appropriate Deputy ^{Director} ~~Director~~, in coordination with the ^{General Counsel} ~~Director of Personnel~~, of which shall be placed in the employee's Official Personnel File:

(1) Currency exchange ^{speculation} ~~speculation~~;

(2) Transactions at exchange rates differing from legally available local rates;

(3) Sales to unauthorized persons, at cost or for profit, of currency acquired at preferential rates through diplomatic or other restricted arrangements;

(4) Transactions which entail ^(unauthorized) use of the diplomatic pouch;

(5) Transfers of funds on behalf of blocked nationals, or otherwise in violation of U.S. foreign funds and assets control;

(6) Independent private transactions which violate applicable control regulations of foreign governments;

(7) Acting as intermediary in the transfer of private funds from persons in one country to persons in another country, including the United States;

ILLEGIB

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

paper routes or other casual part-time occupation. In considering requests for
Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

the appropriate Deputy Director shall consider: the propriety of employment with institutions supported directly by the local government; adverse effects on relations between the United States and the host government; local custom; conflict of interest regulations; effects on the local labor market; and adverse effects on the special status of the employee or the family. ^{Persons} Persons accepting employment abroad may lose immunity from judicial process and may be subject to the payment of any taxes ^{resulting} derived from nondiplomatic employment.

11. Use Of Government Property

An employee shall not directly or indirectly use, or allow the use of, Government property of any kind, including leased property for other than officially approved activities. An employee has a positive duty to protect and conserve Government property, including equipment, supplies and other property entrusted or issued to him.

12. Indebtedness

An employee shall pay all just financial obligations in a proper and timely manner, especially those imposed by law such as federal, state, or local taxes, and child support or alimony payments. For the purpose of this section, a "just financial obligation" means one acknowledged by the employee or reduced to judgment by a court, and "in a proper and timely manner" means in a manner which the CIA determines does not, under the circumstances, reflect adversely on the Government. In the event of dispute between an employee and an alleged creditor, this section does not require CIA to determine the validity or amount of the disputed debt.

13. Gambling, Betting, and Lotteries

An employee shall not participate in any gambling activity while on Government-owned or leased property or on Government duty. This includes the operation of a gambling device, the conduct of a lottery or pool, any game for money or property, or selling or purchasing a numbers slip or ticket. This section does not preclude activities permitted under section 3 of Executive Order 10924 and CIA approved activities.

(a) For the purpose of this section, the term "private organization" denotes any group of persons or associations organized for any purpose whatever, except an organization established by the U.S. Government or officially participated in by an agency of the U.S. Government.

(b) In participating in the program and activities of any private organization, an employee shall make clear whenever necessary that CIA has no official connection with the organization and does not sponsor or sanction the viewpoints which it may express.

(c) An employee shall not knowingly be a member of any organization of Government employees that asserts the right to strike against the U.S. Government or the CIA or of any organization that advocates the overthrow of the U.S. Government. 5 U.S.C. §7311, 18 U.S.C. §1918.

(d) Employees shall limit connections with private organizations concerned primarily with foreign policy, intelligence operations, other aspects of national security, or other matters of concern to CIA as follows:

(1) Except with prior written approval of the appropriate Deputy ~~Counselor~~ ^{General Counsel} Director, in coordination with the ~~Directors of Personnel and Security~~, ^{General Counsel} employees may not serve as advisor, officer, director, teacher, sponsor, committee member, chairman, or any other official capacity, or permit their name to be used on a letterhead, in a publication, in an announcement or news story, or at a public meeting, regardless of whether CIA affiliation or official title is mentioned. This section is not intended to prohibit the normal and active participation of an employee in professional organizations such as the American Political Science Association, the American Economic Association or similar organizations, where such participation is in the interest of both the employee and the Government. Employees are expected, however, to exercise discretion and seek guidance in regard to such activities and are personally accountable for any improper use of their relationship with CIA.

(2) Permission to assume or continue connections with such private organizations may be granted where the public interest will not be adversely affected. Requests for such permission, or for guidance in a particular case, shall be presented in advance in a memorandum setting forth all of the circumstances to the appropriate Deputy ^{General} Director, who shall grant or deny such permission in coordination with the ^{General Council} Directors of Personnel and Security.

(3) Because of their visibility, senior officers should be particularly sensitive to the limitations this section places upon their activities. Association with any such organization should be restricted to a simple membership and even honorary office in such organization should not be accepted except with prior approval as provided above.

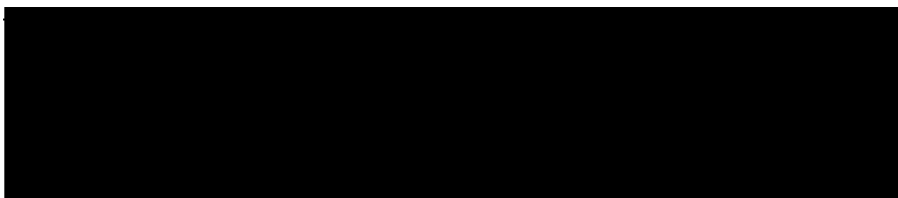
(e) Employee participation in private organizations, which are not concerned primarily with foreign policy, intelligence operations, other aspects of national security, or other matters of concern to CIA, is limited as follows: CIA affiliation or official title may be identified, for example, in connection with a civic association election, but may not be used on a letterhead, in a publication, or otherwise so as to enhance the prestige of the organization or to imply official sponsorship.

(f) An employee shall not, unless at CIA direction, engage in any form of political activity in any foreign country.

(g) The law provides, in summary, that it is unlawful for any Federal employee of the Executive branch to use official ^{position} authority to influence or interfere with an election or affect its result, or take any active part in political management or in political campaigns. 5 U.S.C. §7324, formerly the Hatch Act. These restrictions do not affect the right of Federal employees (1) to vote as they choose; (2) to express personal political opinions, except as part of a political campaign; (3) to make or refrain from making contributions to political organizations, provided contributions are not made in a Federal building or to another Federal officer or employee. 18 U.S.C. §602, 603, 607, 608; (4) to participate in local, nonpartisan activities.

15. Wearing Of Uniforms.

An employee, except at CIA direction, may not wear any uniform except as may be authorized by law or required by a military or naval service in the course of military operations. When an employee is authorized by law or required by a military



16. Recommendation for Employment.

(a) An employee generally shall not make any recommendation in any official capacity in connection with employment unless the position concerned is with the U.S. Government and the recommendation is made in response to an inquiry from a Government official authorized to employ persons or to investigate applicants for employment. In answering a letter of inquiry from outside the U.S. Government concerning a former employee, the Director of Personnel may state the length of time a person was employed by CIA and the fact that duties were performed in a satisfactory manner if such is the case.

Hand to do → (b) An employee may make a personal recommendation in connection with the employment of any person but the employee shall not divulge any information which has been derived from official sources. Precautionary measures, such as non-use of official stationery, should be taken to prevent misidentification of a letter of recommendation as official correspondence or ^{misleading U.S.} ~~misleading U.S.~~ or foreign officials. While such a letter may indicate the fact that the writer is an employee of the U.S. Government, it also shall contain a statement indicating clearly that the letter constitutes a personal recommendation only and is not to be construed as an official recommendation by the U.S. Government or CIA.

17. Conduct Prejudicial To The Government.

An employee shall not engage in criminal, infamous, dishonest, immoral, disgraceful, or other conduct prejudicial to the U.S. Government and shall observe the requirements of courtesy, consideration, and promptness in dealing with or serving the public.

18. Miscellaneous Statutory Provisions.

Employees are responsible for acquainting themselves with statutes and regulations governing conduct of CIA and U.S. Government employees. In this regard employees are directed to the following:

- (1) House Concurrent Resolution 175, 85th Congress, 2d Session, 79 Stat. B12, the "Code of Ethics for Government Service."
- (2) Chapter 11 of Title 18, United States Code, relating to bribery.

profit, and conflicts of interest.

(3) The prohibition against lobbying with appropriated funds.
18 U.S.C. §1913.

(4) The prohibitions against disloyalty and striking. 5 U.S.C. §7311;
18 U.S.C. §1918.

(5) The prohibition against employment of a member of a Communist
organization. 50 U.S.C. §785.

(6) The prohibitions against disclosure of classified or confidential
information. 18 U.S.C. §793, 1905; 50 U.S.C. §783.

(7) The provision relating to habitual use of intoxicants to excess.
5 U.S.C. §7352.

(8) The prohibition against misuse of a Government vehicle. 31 U.S.C.
§638(c).

(9) The prohibition against misuse of the franking privilege.
18 U.S.C. §1719.

(10) The prohibition against deceit in connection with Government
employment. 18 U.S.C. §1916.

(11) The prohibition against fraud or false statements in a Government
matter. 18 U.S.C. §1001.

(12) The prohibition against mutilating or destroying a public
record. 18 U.S.C. §2071.

(13) The prohibition against counterfeiting and forging transportation
requests. 18 U.S.C. §508.

(14) The prohibition against (i) embezzlement of Government money
or property; (ii) failing to account for public money; and (iii) embezzlement of
money or property of another person in the possession of an employee by reason
of employment. 18 U.S.C. §641, 643, 654.

(15) The prohibition against unauthorized use of documents relating to
claims from or by the Government. 18 U.S.C. §265.

(16) The prohibition against political activities in subchapter III of
chapter 73 of title 5, and sections 602, 603, 607 and 608 of title 18 of the United
States Code.

(17) The prohibition against an employee acting as the agent of a
foreign principal registered under the Foreign Agents Registration Act.

18 U.S.C. §219.

(18) The prohibition against discrimination because of public ^{§ 1415,}
race, religion, or color; 22 U.S.C. §807.

STATINTL

b. CONFLICTS OF INTEREST. (Notes: Statutory and CIA restrictions pertinent to conflicts of interest are summarized in HHS [redacted] Handbook of Required Regulatory Readings.)

1. Purpose, Scope.

(a) This regulation sets forth CIA policies and procedures for employee conduct with regard to conflicts of interest and ethical standards of behavior in conformity with sections 261 through 209 of Title 18 of the United States Code, Executive Order 11222 of 8 May 1965, and the Code of Federal Regulations, Title 5, Chapter I, Part 735.

(b) Restatements of prohibitions and requirements imposed by the civil and criminal laws of the United States are included in this regulation for information purposes only and are not interpretations or constructions binding upon CIA or the U.S. Government, nor are all statutory or other restrictions or requirements imposed on federal personnel purported to be restated here. Omission of any restriction or requirement does not alter its legal effect and applicability to CIA employees.

2. General Policy.

Employees must notify their immediate supervisor of any problems which they may encounter regarding matters within the scope of this regulation. Supervisors advised, or becoming aware, of such matters are responsible for gathering all pertinent information and acting promptly to insure that any real or apparent conflict of interest is reported through channels to the appropriate Deputy Counselor. Such reports must be forwarded immediately to the Inspector General and General Counsel for investigation and resolution.

3. Conflicts of Interest.

(a) A "conflict of interest" exists in any situation where an employee's private interests are incompatible with official duties and responsibilities. Such conflicts arise where duties performed by the employee may, or appear to, have a direct and predictable effect upon the employee's financial interests or those of a spouse or other relative, partners, or any person or organization with which the employee is associated or negotiating for future employment.

(b) Whether or not there is reason to believe that such a conflict in fact will be resolved to the employee's personal advantage rather than that of the U.S.

ILLEGIB

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7

Next 6 Page(s) In Document Exempt

Approved For Release 2001/09/01 : CIA-RDP81-00142R000300030002-7